Sale of Coal from Captive Mines to nearest PSUs

4498. SHRIMATI N.P. DURGA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have approved the sale of coal from captive mines to the nearest Public Sector Undertakings;

(b) whether it is also a fact that Coal Mines (Nationalization) Act does not allow sale of captive mining by private companies; and

(c) if so, in what manner Government propose to sell coal from captive mines?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) It has been decided that coal produced from a captive mine during the development period of the mine may be transferred to the subsidiary coal company of Coal India Limited operating in the area at a price to be determined by a Committee under the Chairmanship of the Additional Secretary (Coal).

(b) The Coal Mines (Nationalization) Act, 1973 is not a statute governing trade in coal. It determines the eligibility of a company to do mining of coal. The Act allows *inter-alia,* mining of coal by an Indian company for specified end uses only.

(c) During the development phase of a captive mine, by when the end use plant may not be installed, the Government has allowed transfer of coal extracted from the captive mine to the local nationalized coal company. This arrangement became necessary in order to avoid the hazards of storing coal for long period which leads to auto combustion and the adverse impact on the economy. In order to ensure that such transfer does not turn into a trade by a private company, the Committee under the Chairmanship of the Additional Secretary (Coal) has been constituted to determine the price at which coal will be transferred from captive mining to a Coal India subsidiary.

Free Trading of Coal

4499. SHRI GIREESH KUMAR SANGHI.
DR. T. SUBBARAMI REDDY:

Will the PRIME MINISTER be pleased to state:

(a) whether Government are seriously considering to allow free trading in coal and as a first step State-owned Coal India may be asked